



United States Department of State

Washington, D.C. 20520

~~SECRET/SENSITIVE~~*File*MEMORANDUM FOR MR. ROBERT C. MCFARLANE
THE WHITE HOUSESUBJECT: Policy and Resource Proposals for
Implementing NSDD 138

In accordance with page 6 of NSDD 138, the Interdepartmental Group on Terrorism (IG/T) has met several times to discuss the range of policy options; plans for security, protection and enforcement initiatives and the increased resources required to implement these policy options and initiatives. The submission from the IG/T is attached, together with the proposals made to the IG/T by the Departments of State and Defense.

The basic assumption of this submission is that the United States has a major, direct stake in world peace and in the health of the world economy; our prosperity, our security, and our alliances can be affected by threats to security in many parts of the world; and the fate of our fellow human beings will always impinge on our moral consciousness. If we are to protect our interests, values, and allies, we must be engaged. And our power must be engaged. It requires not only the passive strategy of an effective intelligence capability and security precautions to protect our people and facilities but an active defense program to protect our right to maintain our diplomatic and military presence overseas.

Given the policy guidance in NSDD-138, the IG/T has not considered as a policy option the reduction of our presence overseas as an appropriate response to terrorism. Rather it has assumed that such an option is in effect giving into terrorist blackmail and precisely what the states and groups that engage in terrorism against us want us to do. Accordingly, the IG/T has not considered trade-offs against other programs. It emphasizes that resources of the magnitude required cannot be accommodated within the current OMB planning ceilings. For the Department of State, as well as other agencies, this would require a significant degradation of essential activities overseas. We consider that the wrong signal to be sending to those states and groups that are attacking us.

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The IG/T does not pose any of the policy options or programs outlined in the paper as alternatives. They are all parts of a package, elements of which can be used as an effective national response to international terrorism as circumstances warrant. With respect to physical security, the IG/T believes that the random, and geographical widespread nature of terrorism requires that all USG diplomatic and military facilities have a prudent and basic level of security protection. USG personnel and facilities located in particularly high threat areas such as Europe, the Middle East and Latin America will require higher levels of security.

* The IG/T recommends that the total program included in this submission be adopted and carried out. Specific points in this submission which you may want to highlight for discussion in the NSPG are as follows:

- 1) There are 85 office buildings overseas which the Department of State has identified as indefensible in security terms and proposes that they be replaced. The estimated cost of doing this over the five year period is \$1.4 billion.
- 2) A Marine Security Guard detachment would be established at all embassies and large consulates. In addition, professional security personnel would be posted at all diplomatic or consular posts where there are 35 direct hire Americans.
- 3) The Department of State would, in cooperation with regional military commands, undertake a program to test and revalidate its post emergency action plans on a two-year basis.
- 4) The Department of State would make a major effort to upgrade its emergency communications facilities both at posts, between posts and Washington and with regional military commands.
- 5) The Department of Defense would undertake major physical security improvements, both in the US and overseas, to protect against terrorist attacks at an estimated cost of \$1.7 billion. Included in this are contract guards for National Guard armories which have been particularly susceptible to terrorist attacks. The Defense proposal includes enhancement of security at civil works of the Corps

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of Engineers such as Chief Joseph Dam. This latter proposal highlights the general vulnerability to terrorist attacks of public utilities in the United States.

6) Commerce, USIA, and USDA frequently maintain facilities overseas which are open to the general public such as libraries and information and trade centers. Because of the high volume of visitors and the threat that would pose to diplomatic facilities, these agency facilities are not normally within buildings covered by security programs of the Department of State. Security is handled by the agency concerned. We may want to consider whether these activities should be included within the purview of NSDD-138 or continue to be handled separately.

7) The Department of the Treasury proposes to increase the Uniformed Division of the Secret Service so that adequate protection can be provided to the foreign diplomatic corps in the metropolitan area of the District of Columbia at a total cost for the five year period of \$106.5 million.

8) The IG/T through its subgroup on research and development has proposed a five year program of research on explosive and flammable materials, detection of intruders, and behavior of terrorists to develop devices and techniques to deter or detect terrorist attacks at a cost of \$118.6 million.

Charles Hill
Executive Secretary

Attachment:

IG/T Report on NSDD-138

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July 14, 1984

MEMORANDUM FOR THE TERRORIST INCIDENT WORKING GROUP

SUBJECT: Programs and Resource Requirements
for Implementing NSDD 138

In accordance with instructions on pages 2 and 5 of NSDD 138, the following lines of action and resource allocations have been proposed by IG/T member agencies for combatting international terrorism. They should not be considered as separate options but rather as a package of actions all of which are essential to deal with one or more aspects of this problem.

1. ENHANCING PERSONNEL AND PHYSICAL SECURITYa. Improving Personnel Security

We have made significant progress at all USG facilities in improving physical security which has proved to be an increasing deterrent to terrorist attacks. There is still substantial effort required, as outlined in this memorandum, before we can be satisfied that our facilities are reasonably secure. In the process of improving physical security it has become increasingly clear that we need to give a much higher priority to emergency planning, training of personnel, emergency communications, protection of personnel when they are not at facilities which are physically secure, and strengthening the capability of local governments to provide protection. There is also the need to service, maintain, and upgrade on a timely basis the security systems we already have in place.

1). Enhancing Professional and Technical Security Resources

There is an immediate need to increase the professional security officer and architect resources in order to provide more security presence at our threatened posts overseas, to increase the cadre of engineers to install and service technical systems at our embassies, and to hire or contract architect and other construction related support staff to

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permit rapid security modification planning. Many of our diplomatic posts overseas do not have regular professional security support. The professional security officer staff increases will be in the areas of regional security officers, training personnel, and ~~personnel for the protection of personnel~~. Some 575 additional personnel are required at an estimated 5-year cost of \$173.8 million.

A companion piece to the preceeding paragraph is the equipment and material required to protect our personnel. Estimated 5-year costs of such equipment, which includes armored cars, lethal and non-lethal weapons and equipment, replacement equipment for installed security systems, and a comprehensive residential security program, is \$202.9 million.

2). Emergency Action Training and Exercises

In cooperation with all foreign affairs agencies and military commands, ~~State has initiated a program of overseas training exercises~~ to assure that emergency action plans for dealing with terrorist incidents and other types of emergencies are workable and up-to-date. Preliminary runs of these exercises indicate that coverage of overseas posts on a 2-3 year basis needed to assure currency requires a program to handle up to 50 missions with constituent posts each year. This program is expected to cost \$1.3 million in 1985, and five-year costs should amount to \$6.5 million.

3). Assigning Marines to All Diplomatic Missions

Marine security guards at Foreign Service posts have become an essential protection for information, systems, facilities, and within US mission spaces, increasingly for key personnel. This is particularly true in countries where the abilities of local authorities to provide security protection have deteriorated or remain limited. It will also be important to have such protection in countries where the risk of reaction to US counter-terrorism activities may be significant. We now have over 1,250 Marines serving at Foreign Service posts, and we are requesting that an additional 307 be assigned. This will allow at least minimum Marine coverage of all our embassies (and largest consular posts) as well as permit increased staffing at threatened posts. This program is expected to cost an additional \$15.3 million over the next five years.

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4). Improving Communications

Many overseas diplomatic missions lack adequate communications either for local management of emergencies or for secure voice communications with Washington agencies during a crisis situation. Tactical satellite communications units that are presently available essentially on a test basis have proven very effective in helping to deal with terrorist incidents or threats four times in the past year. Additional sets of tactical satellite equipment are needed for standby availability both in Washington and at strategic locations abroad, as well as a dedicated space segment. Short range radio systems at the post are essential to establish and maintain emergency networks with official Americans, businessmen and other friendly diplomatic missions. Fourteen additional positions are required and the estimated costs of acquiring and maintaining these systems over a five-year period is \$106.5 million.

5). Mandatory Training for All USG Personnel

SDD 138 makes mandatory the training on coping with political violence and handling emergencies of personnel for all departments and agencies before they go abroad.

Programs have been significantly strengthened over the past three years and only relatively limited resource additions are needed to carry out this requirement. Significant gains in the level and effectiveness of training appear possible through greater interagency cooperation in the development and teaching of security courses in Washington, and through the development of overseas course components such as practical demonstrations in defensive driving.

6). Randomizing Behavior

Randomizing behavior is among the most effective personal security enhancements available. Experience of the past year on five assassinations and attempted assassinations strongly indicates that each victim was violating one or more rules of personal security, especially random travel patterns. Under additional guidance being prepared, Chiefs of Mission and principal officers at posts experiencing high or medium threat conditions are being urged to use their authority effectively to vary arrivals and departures from work.

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7). Use of Overseas Security Programs to Enhance DOD Personnel Training and Experience

Recently in four particularly high threat foreign service posts (Beirut, Guatemala City, Tegucigalpa, and San Salvador) DOD has supplied two men each as members of the Ambassador's personal protective detail. This support has enhanced the resources of State's SY while at the same time providing an invaluable opportunity for DOD personnel to enhance their field and geographic area experience. Future arrangements of this sort, to be worked out on a case by case basis, should be maintained to provide such cover and temporary duty training opportunities for DOD personnel. No additional costs for this activity are anticipated.

b. Enhancing Physical Security1). At Diplomatic Posts

Physical security enhancement is required to assure that our personnel are operating in as secure circumstances abroad as we can arrange. It is not a panacea, and certain vulnerabilities will continue to exist, e.g., to attacks with very large explosive devices, standoff weapons, or small aircraft. Nonetheless, enhanced physical security arrangements already have contributed a great deal to thwarting specific attacks, and they will remain an important first line of defense. The physical security enhancement program of the Department of State, authorized by Congress in 1980 will be completed in 1986 with total five year funding of \$126.0 million.

The security enhancement program contemplated only improvements in existing buildings and then only the essential ones needed to deal with the most serious threats envisaged at the time, such as forced entry and mob violence. It did not take into account ramming by vehicle bombs driven by suicidal drivers, or timed or remotely detonated large explosive devices. The only way to deal with these new and increased types of threat is to house our facilities in freestanding buildings with outside space for adequate perimeter defenses. A review of existing buildings indicates that some 85 now occupied cannot be protected adequately and should be replaced. The cost of a replacement program over a five-year period, without taking into account proceeds of sale from existing properties, would be

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\$1.4 billion. In addition, improvements are required at other buildings not covered by the security enhancement programs discussed above of \$82.7 million for a total of \$1.5 billion.

No additional monies have been earmarked for Commerce, USIA, USDA and other agency facilities abroad where not co-located with an Embassy chancery or consular office.

2). Security of DOD Personnel and Facilities

Parallel to but substantially distinct from the foregoing presentations are the DOD's own efforts to implement NSDD-138. The attached outline at Tab 2 reflects the total personnel and resource requirement to enhance anti-terrorist programs (excluding those of the Defense Intelligence Agency). This includes physical security improvements, domestic and overseas, to protect against terrorist actions (not including overseas nuclear weapons storage sites which are largely covered by NATO funding--about \$270 million per annum for the US), improved threat warning procedures, and training and awareness programs. Total cost for programs to enhance anti-terrorism programs and implement NSDD 138 for FY 1984 through FY 1989 is estimated to be about 20,000 work years and \$1.7 billion. Of this total 14,900 work years and \$1.1 billion are programmed to support ongoing programs and about 5,000 work years and \$611 million is needed for proposed initiatives.

2. ENHANCING PROTECTIVE LAW ENFORCEMENT CAPABILITY

a. Cooperating with Other Governments

We must depend on other governments for the protection of our facilities and personnel abroad, especially against terrorist attacks and mob violence. Many foreign governments have neither the trained personnel nor the funds fully to discharge their security responsibilities. In a number of countries we have found it increasingly necessary to supplement the arrangements of local authorities with additional, contract guard forces, roving patrols, communications alert networks, contingency arrangements with third country missions, and various items of equipment.

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b. Providing Anti-Terrorism Training1). For Foreign Civil Authorities

To enhance the quality of protection extended to our overseas personnel by foreign governments, and to improve the quality of terrorist incident management in cases of interest to the United States, the Congress approved in 1983 a \$2.5 million training program for FY 84. This program uses the facilities and the training packages developed for domestic use by the FAA, the FBI and other agencies, and it is now providing a two-week program for foreign government officials at the rate of one country every two to three weeks. This phase is to be followed by specific intensive training programs for mid-level foreign government officials as necessary to keep this program up-to-date, taking advantage of changes in techniques and associated technologies, and to provide certain non-lethal equipment items to help other governments improve counter-terrorism capabilities. This program should expand to \$5 million annually in 1985, and to \$10 million by FY 89 and later years, for a five-year cost of \$35 million.

2). Training by CIA for Foreign Security Personnel
(to be covered in separate submission).

3). Training by DOD of Foreign Military Personnel
will continue under existing legal authority.

c. Protecting Foreign Diplomats and Dignitaries

State, Treasury, Justice and various civil police authorities currently provide physical protection for a growing number of resident diplomats and visiting dignitaries. These services are essential not only to discharge our obligations under international agreements but also to assure that other governments provide the protection needed by our personnel resident in their countries. Current costs include the protection of foreign diplomats in Washington (338 positions and \$19.7 million), reimbursement to New York City for the protection of UN Missions (\$7.5 million), and protection by the Department of State of foreign officials elsewhere (\$6.0 million). Treasury estimates that it will require an additional 549 positions and approximately \$20 million annually to provide adequate protection for the diplomatic community in the Washington metropolitan area for a five year cost of \$106.5 million.

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3. EXPANDING RESEARCH AND DEVELOPMENT

Agencies participating in the Interdepartmental Group on Terrorism consider R&D in this area as an essential part of overall efforts to combat terrorism and have developed proposals in both engineering and behavioral sciences. Great urgency is attached to work on means to detect explosive and flammable materials, enhance detection of intruders, to map the behavior of terrorists under stress and to develop other devices or techniques that might help detect or deter a terrorist attack. Anticipated annual costs of work in all these areas are expected to average \$20 million for a five-year cost of \$118.6 million. Several other governments actively are engaged in R&D efforts that are of potential interest to us, and we should be able to share results in several areas through existing security and intelligence liaison channels at relatively little cost.

4. IMPROVING INTERNATIONAL COOPERATION

The increasing travel of terrorists and groups, and the growing involvement of states in uses or support for terrorism pose enduring new challenges to intergovernmental cooperation. Specific needs are:

a. Sharing Information

Greatly enhanced intelligence information is required respecting the names of individuals and groups, their modes of operation, their specific activities and movements, and their patterns of association. This dictates closer cooperation among local law enforcement organizations as well as among intelligence agencies. Details of programming to cover these challenges will be provided separately by DCI.

b. Cooperating on Sanctions Programs

With all their limitations, political and economic sanctions should be used vigorously as means to persuade the public and offending states that we are serious. Business as usual approaches to states that are obviously violating international standards usually undermine public confidence in other policy moves we try to make and render the policies we do seek to pursue unstable. Existing legal authority is adequate except on the control of services, for which legislation has been introduced. Existing budgets are also adequate except on controlling the movement of people.

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1). Political sanctions

It is essential, with the public and the Congress to demonstrate that serious efforts diplomatically to isolate an offending state have been made, and that we are working with other governments to impose sanctions. Political actions such as restrictions on relations or controls on travel, have some value as a means to capture the moral high ground on contentious international issues. They can be done with some effect unilaterally, but serve best when large groups can agree. Their impact, however, is slow cooking, and they may not have measurable effect for long periods.

Economic sanctions can both help capture the moral high ground and do practical harm to an offending state. To achieve the latter in a modern, diversified trading and financial world, however, it is essential to have the cooperation of other key commercial partners. No deeply wounding economic sanctions program is possible without this. If we try to impose sanctions without such cooperation we are more than likely to succeed only in taking ourselves out of the market in question.

3). Controlling Arms Sales to Terrorists

While general traffic in arms is the subject of cooperative efforts of varying effectiveness, there is little international understanding as yet on arrangements to limit the flow of arms to states and groups practicing terrorism. Particularly within contexts such as the Summit Seven, it may now be possible to get agreement to do so respecting states which the group can agree are persistent sources of trouble. This subject should become a standing part of the anti-terrorism agenda for bilateral and multilateral discussions with arms-supplying nations. Additional legal authority is needed to control services and is being sought.

4). Controlling People Movements

Increased international cooperation is essential to assuring a safe environment for international travels and activities. The growing travel of terrorists and terrorist groups across international frontiers has compounded the problem of maintaining security at airports and other key international travel points, while heightening the risks of

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terrorist attacks outside the terrorists' own countries. In part because of large, special events such as the Summer Olympics in Los Angeles, there is a growing need to screen travelers to the United States to assure that terrorists do not make use of our open ports and borders to infiltrate.

Upgrading the Automated Visa Lookout System (AVLOS) of the Department of State is an important internal contribution to effective international cooperation in controlling movement of persons. The AVLOS system as it now stands provides an expanding body of information on potential undesirables of all types. However, because of difficulties in stripping off sensitive intelligence information to permit the entry of names, aliases and other data into the unclassified data bank, AVLOS has been weak in incorporating information about terrorists. Efforts are now being made with CIA to correct this problem, but the long run solution will involve additional personnel to assure a regular pattern of processing and entry of such information into AVLOS. This program is expected to be of minimal cost to State but of some cost to CIA which will have to be worked out over time.

5. TAKING PREVENTIVE ACTION

While action to frustrate, prevent or preempt a terrorist attack is unlikely to be useful or possible in any large number of instances, to have the option in any instance, forces must be maintained in a trained, equipped and regularly exercised state for the most likely kinds of contingencies. In addition, those unique forces dedicated to this mission need to work with foreign government counter-terrorism forces and be exposed with some frequency to operating environments and conditions in the countries and regions where they may need to act. No additional resources for maintaining this military capability are envisaged at this time. (Development of a CIA preemptive capability is the subject of a separate submission.)

6. ENHANCING US DOMESTIC COOPERATION

With the increasing travel of terrorist groups we have faced increasing risks of terrorist attacks inside the United States, including attacks on public buildings. Few of these buildings were designed with security in mind, and significant changes both in structures and in peoples' habits are now needed. Moreover, the prospect of a

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terrorist incident inside the US has caused the FBI to develop internal hostage rescue capabilities, while the potential risk of a theft or terrorist use of nuclear materials has caused the Department of Energy to develop emergency procedures and equipment to locate, analyze and deactivate a nuclear device. Enhancing such capabilities to assure effective analysis of a threat, to have assets in the right places to respond or be moved quickly into response positions, and keeping these capabilities trained up to full readiness and equipped with current technologies are estimated to cost \$400 thousand in 1985 and at \$2.2 million over a five year period.

Essential to effective use of such capabilities is coordination of actions and information programs among various state and local authorities. Of particular concern is the sharing of sensitive information about groups, their plans and their locations at the tactical law enforcement level. Means are needed to collect, assess and disseminate such information not only as a general rule, but also in connection with special events such as the Olympics to insure that state and local law enforcement agencies are able to feed in and withdraw information from some mutually accessible system. Aggressive investigative effort is needed on the local level to get such information, and close cooperation with other police jurisdictions is required to assure that it is effectively used. It is difficult to assess the total cost of programs to achieve the needed cooperation because so many different jurisdictions are involved. Personnel and travel costs for enhanced efforts in these areas are estimated at \$11.071 million in 1985 and at \$68.583 million over a five year period.

8. UPDATING US LEGISLATION

a. Implementing International Agreements

Administration proposals now before the Congress to implement the Montreal Convention against aircraft sabotage and the United Nations Convention against hostage taking are designed to increase the moral authority of the United States in working with other governments to combat terrorism. The long term costs of administering these laws would be largely merged with the costs of carrying out other international agreements.

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b. Paying Rewards for Information about Terrorist Incidents

While it would not be used in any great number of cases, authority for the Secretary of State to pay rewards in international terrorism cases and for the Attorney General to pay increased rewards in domestic cases could be the keys to resolving a few incidents of great concern to the United States. While it is impossible to estimate how much these programs would cost in any given year, it is expected that total authorizations of \$10 million would be built up in both State and Justice appropriations for a five year standby authority of \$20 million to be replenished only as drawn down.

c. Licensing the Export of Certain Services Potentially Helpful to Terrorists

Increasing travel and sophistication of terrorist groups have increased the prospect that such groups will go abroad to obtain services to carry out terrorist attacks. Such services include maintenance of special equipment techniques for designing, placing and detonating explosive charges, production of travel and other documents. A legislative proposal now being discussed with House Foreign Affairs Committee staff would permit regulation of trade in services potentially helpful to terrorists by a licensing procedure. On failure to obtain a license when required the provider of such services would be subject to prosecution. Administration of such a law is not expected to be burdensome, since only a few destinations are expected to be of particular concern at any one time. It is very difficult to estimate resource needs at this stage.

10. Informing the Public

Any effective program to counter terrorism will require public understanding and cooperation both in the United States and abroad. Acceptance and support of the active defense program outlined in this memorandum will require intensive effort including the need to deal with confusion created by those who insist that organized opposition to tyrannical government and terrorism are the same. Although there is the need for consistent and high level attention to public actions and statements on terrorism, we do not envisage the need for any significant additional resources for public affairs.

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11. OVERALL COSTS AND BENEFITS

The alternative to pursuing a program of the type and scale outlined is to decide that the present level of terrorism-related violence in the world is tolerable, an option rejected by NSDD 138. Indications are that the use of terrorism, especially by states, is growing and that the demonstration effect is a significant factor in such growth. The choice is between learning to live with this growing pattern of political violence or finding ways to break that pattern.

Many of the actions proposed will take considerable time to carry out. We are working with persistent weaknesses in the global environment which needs patient treatment, and against active, imaginative, and aggressive opponents.

We should not lead the public or the Congress to expect a quick fix. Rather these facts are strong reasons to act promptly to provide the kit of tools to combat terrorism in the programs outlined here. Some implementing actions still require cost determinations which have only been noted above. Costs so far identified for this overall program, based on the item costs indicated above, are in the range of \$800 million annually for a five-year cost of \$4 billion. This would increase as we are able to quantify other elements discussed above.

Robert M. Sayre
Chairman

Interdepartmental Group on Terrorism

Attachments:

- Tab 1 - Programs of Department of State
- Tab 2 - DOD Expenditure Tables
- Tab 3 - Technological Countermeasures
for Terrorism

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